

Evaluation of Wine Sales at Massachusetts Agricultural Events 2011



Prepared by David Webber for the Massachusetts Department of Agricultural Resources, in cooperation with the Massachusetts Farm Wineries and Growers Association

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Background

In August of 2010, Governor Patrick signed S 2582: An Act Relative to Economic Development Reorganization which allowed for the sale of wine from licensed farm wineries at approved agricultural events in Massachusetts. According to the legislation, agricultural events such as farmers' markets, agricultural fairs and festivals must be approved and certified by the Department of Agricultural Resources before a winery can apply for the appropriate license from the local licensing authority.

In the fall of 2010, DAR issued an application for certification of an agricultural event for the sale of wine and in late November, the first applications were received for the Somerville and North Attleboro Winter Farmers' Markets.

In early December of 2011, a survey (Attachment A.) was sent to wineries who participated at agricultural events over the course of the first season. The survey examined the impact of the legislation on wineries' sales, as well as other measures, including plans for increasing fruit and wine production and personnel. Data includes sales from approximately January 2011 through December of 2011.

Survey Results

Number of Applications, Wineries and Agricultural Events

149	Applications received by DAR (some events included multiple wineries)
18	Wineries
	Farmers' Markets
63	Number of different farmers' markets attended
5	Average number of farmers' markets attended by participating wineries
65	Average number of days wineries attended farmers' markets
1,045	Total number of days attending farmers' markets
	Agricultural Fairs
2	Number of different agricultural fairs attended
1	Average number of agricultural fairs attended by participating wineries
7	Average number of days wineries attended agricultural fairs
54	Total number of days attending agricultural fairs
	"Other" Agricultural Events
4	"Other" agricultural events, such as one day festivals
1	Average number of "other" agricultural events attended by participating wineries
2	Average number of days wineries attended "other" agricultural events
2	Total number of days attending "other" agricultural events

Applications and Permitting

4 wineries reported being denied a permit from the local licensing board including:

Permits for wineries at 7 farmers' markets and 1 agricultural event.

Reasons for denials reported by the wineries included: *The facility had a current on-premise license; Town did not have the requisite permit application and did not want to encourage applying; Crown top on bottle.*

Sales

\$514,200.00	Estimated value of wine sold
34,280	Bottles of wine sold
2,016	Average number of bottles sold per winery
66%	Average overall sales increase per winery
39%	Average of total sales per winery derived from agricultural events

Additional Benefits from Participation in Agricultural Events

- **82% reported increased visitors at their winery with an average increase of 28%**
- **94% reported increased recognition for their wine**

Examples:

- ✓ Helped introduce my brand, gained wholesale accounts, and increased traffic on website
- ✓ Most people at the farmers' market did not know us
- ✓ As a weird product (Mead) it's important for folks to try it
- ✓ Most people did not think MA wine could be so good
- ✓ Visits to the winery
- ✓ Most were not aware of Mass Wines
- ✓ We had a lot of people sampling at markets and then buying at the vineyard
- ✓ Repeat customers
- ✓ Brought customers to our farm
- ✓ "Oh, I've seen your wine in XYZ store"

- **65% received product feedback**

Examples:

- ✓ Lots of visitor feedback and interest
- ✓ If they want sweet wine, then I will make a wine that will suit every palate
- ✓ Cranberry wine - never heard of it!
- ✓ Increased recognition of the wine in retail stores
- ✓ Many positive responses
- ✓ Same example all the time, "Didn't know quality was made in MA"
- ✓ Return customers

- **71% educated consumers about the Massachusetts wine industry**

Points with the most impact:

- ✓ Lots of good local stuff available
- ✓ Now they know we grow and make wine here
- ✓ There are over 30 wineries in MA
- ✓ The "buy local" aspect
- ✓ Grapes grown in Mass
- ✓ Exposing people to other wineries
- ✓ People are excited to learn of wine grapes being grown locally
- ✓ Quality products
- ✓ Local and agriculture

- **41% reported other benefits:**

Examples:

- ✓ Great to network with other farmers and find out about other ingredient sources
- ✓ Higher margin, better quality sale
- ✓ More wineries are opening. Farm wineries will allow the next generations to continue farming. There is plenty of room for growth. We need more wineries
- ✓ Increased sales
- ✓ Good to have personal contact with customers. If they know you will be there, they will come back each week to get wine
- ✓ Increase sales pays employees and keeps our family farm
- ✓ Small carbon footprint

Future Plans as a Result of Selling Wine at Agricultural Events:

35%	Plan to expand grape/fruit production
29%	Plan to increase their wine production by an average of 38% this coming year
53%	Plan to hire more employees, including 15 full-time and 6 part-time positions
18%	reported other plans including going full time, purchasing additional vans, upscale their bottles and labels
12%	reported no future plans as a result of selling wine at agricultural events

Participation Plans for 2012

12	wineries plan to increase their participation in agricultural events in 2012
3	wineries plan to participate in the same number of agricultural events
1	winery plans to participate in less events
1	winery is not sure if they will participate in more or less events

Additional Comments

- Maybe will try different markets
- Other sales down by 40% by design - these are more profitable sales.
- Participated in only 1 market and it was not worth the time and money invested. Market had a very low turnout and weather was a problem half the time. Hope to try other locations in the future.
- The staff at MDAR was extremely helpful in the entire application process from answering questions to responding in a timely fashion. Made it all very easy.
- We need to take credit cards
- One of the best new laws from the Dept. of Ag.

Attachment A.

Wine Sales at Agricultural Events in Massachusetts

Survey of Wineries – 2011

1. How many agricultural events did you attend in 2011 to sell wine? (please enter the number for each type)

_____	Farmers' markets	Total number of days attended _____
_____	Agricultural fairs	Total number of days attended _____
_____	Other Agricultural events	Total number of days attended _____
2. By what percentage did your overall sales increase due to participation at agricultural events in Massachusetts?
_____ %
☐ My overall sales did not increase
3. To date, how many bottles of wine have you sold at agricultural events in Massachusetts? _____
4. Of your sales at agricultural events, what percent of your total sales does this represent? _____ %
5. What other benefits did you see from participating at agricultural events? (check all that apply)
☐ Increased recognition for my wine
Example _____
☐ Product feedback
Example _____
☐ Increased visitors at my winery
By what percent? _____
☐ Educated consumers about the Massachusetts wine industry
What points seemed to have the most impact? _____
☐ Other (please describe) _____
☐ No other benefits
6. As a result of selling wine at agricultural events, I plan to: (check all that apply)
☐ Expand my grape/fruit production
By how much? _____ When? _____
☐ Increase my wine production
By how much _____ When? _____
☐ Hire more employees
How many? _____
☐ Other (please describe) _____

☐ None of the above

7. Did you have any MDAR approved agricultural events that were denied a permit from the local licensing board?

☐ Yes ☐ No If yes, how many? _____

8. If yes, what was the rational for the denial?

9. Do you plan to participate in agricultural events again in 2012?

☐ More

How many more? _____

☐ The same

☐ Less

Additional Comments/Suggestions/Issues/Concerns

Return Survey to: David Webber, MDAR, 251 Causeway St., Suite 500, Boston, MA 02114 or by email to David.Webber@state.ma.us or fax, 617-626-1850

Questions? Please contact David Webber, 617-626-1754